

KENTUCKY AGRI-NEWS



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FEATURING : ★ Crop Production ★ Dairy Products ★ Chicken & Eggs
 ★ Foreign Ownership ★ Tobacco Outlook

CROP PROSPECTS GOOD FOR CORN, SOYBEANS AND TOBACCO

U.S. HIGHLIGHTS

Corn production was forecast at 11.6 billion bushels, up 6 percent from last month and 15 percent above 2003. If realized, production would be the largest on record.

Corn yields were expected to average 158.4 bushels per acre, up 9.0 bushels from September and 16.2 bushels from last year. If realized, yield would be the largest on record.

Soybean production was forecast at a record high 3.11 billion bushels, up 10 percent from the September forecast and 27 percent above 2003.

Soybean yields was expected to average a record high 42.0 bushels per acre, up 3.5 bushels from September and 8.1 bushels from 2003.

Eight-State Burley Belt production was forecast at 301.7 million pounds, up fractionally from the September forecast and 7 percent higher than last year.

KENTUCKY

Kentucky farmers expect a good to excellent crop harvest. Growing conditions have been favorable for most of the summer and fall. As of October 1, excellent yields were forecast for corn and soybeans. Production of corn, soybeans, burley tobacco, alfalfa hay and dark tobacco were expected to be up from last year, while other hay production was down. A wet spring caused some intended corn acreage to be switched to soybeans or sorghum, and made hay production difficult. Western and Central Kentucky have been very dry during September which has helped crops mature and dry down well, but has caused some concern with the development of double crop soybeans and late hay crops.

Burley tobacco was forecast at 210.0 million pounds, up 3 percent from the September forecast and up 6 percent from last year's crop. Improved yield prospects generated the increase in production. Yield was estimated at 2,000 pounds per acre, an increase of 50 pounds from the September estimate and 75 pounds above the 2003 estimate. Harvested acreage was estimated at 105,000 acres, unchanged from September but 2,000 acres above the previous year. The expected burley crop would be 97 percent of the effective quota that farmers could sell. As of October 3, 95 percent of the burley and 96 percent of the dark tobacco had been cut. Housed tobacco has been curing well with

stripping underway as moisture conditions allow. **Dark tobacco** production increased for all types compared with 2003.

Corn for grain production was forecast at 166.5 million bushels, up 3 percent from the September estimate and up 13 percent from the 2003 crop. A wet spring and early summer and subsequent dry fall conditions were ideal for corn production. Average yield was projected at a record high 150 bushels per acre, well above the previous record yield of 142 bushels recorded in 2001. Harvested acreage for grain was estimated at 1.11 million acres, down 30,000 acres from September while up 30,000 acres from the previous year. The downward revision to acreage reflects new harvested acreage data available at this time. As of October 3, 95 percent of the corn had reached maturity and 69 percent had been harvested.

Production of **soybeans** was forecast at a record high 54.2 million bushels, up 4 percent from the September estimate and up slightly from the 2003 record high. The increase in production from September was brought about by an increase in harvested acreage and yield. Harvested acreage was estimated at 1.29 million acres, an increase of 20,000 acres from the September estimate and 50,000 acres above the 2003 level. Revision in harvested acreage resulted from new harvested acreage data being available. Yield was estimated at 42 bushels per acre, up 1 bushel from September but 1.5 bushels below the record high 43.5 bushels per acre set in 2003. Despite a late start for many fields because of the wet spring, soybean production has been good to excellent this year. Adequate to surplus moisture has resulted in a good pod fill for full season beans. Very dry conditions during September in most areas is causing some concern relative to pod fill for double crop beans. As of October 3, 77 percent of the soybeans were shedding leaves and 22 percent had been harvested. A few farmers were concerned about their double crop soybeans maturing before a widespread frost.

All hay production was forecast at 5.96 million tons, down 6 percent from both the August 1 estimate and 2003. **Alfalfa hay** was forecast at 962,000 tons, down 16 percent from the August forecast, but 10 percent above 2003. Yield was estimated at 3.7 tons per acre, down from 4.4 tons per acre in August but above the 3.5 tons harvested during 2003. **Other hay** production was forecast at 5.00 million tons, down 4 percent from August and 9 percent below the previous year. Yield per acre was estimated at 2.5 tons per acre, down slightly from August and equal to the record yield set in 2003. Haying has been difficult due to the wet spring, and late fall production has been reduced by dry conditions over much of the State.

CROP PRODUCTION

CROP SUMMARY, OCTOBER 1 KENTUCKY AND UNITED STATES, 2003 - 2004

CROPS	UNIT	ACREAGE HARVESTED		YIELD PER ACRE		PRODUCTION		
		2003	2004	2003	2004	2003	2004	
			Indicated		Indicated		Indicated	% of '03
		(Thousand)				(Thousand)		
KENTUCKY								
Corn for Grain	Bu.	1,080	1,110	137.0	150.0	147,960	166,500	113
Soybeans for Beans <u>1/</u>	Bu.	1,240	1,290	43.5	42.0	53,940	54,180	100
Hay:								
All	Ton	2,450	2,260	2.60	2.64	6,375	5,962	94
Alfalfa	Ton	250	260	3.50	3.70	875	962	110
All Other	Ton	2,200	2,000	2.50	2.50	5,500	5,000	91
Tobacco:								
All	Lbs.	111.65	113.80	2,016	2,094	225,042	238,245	106
Burley	Lbs.	103.00	105.00	1,925	2,000	198,275	210,000	106
Type 22 E. Fired	Lbs.	2.60	2.70	3,080	3,200	8,008	8,640	108
Type 23 W. Fired	Lbs.	2.50	2.50	3,530	3,600	8,825	9,000	102
Type 35 One Sucker	Lbs.	2.30	2.30	2,830	3,000	6,509	6,900	106
Type 36 Green River	Lbs.	1.25	1.30	2,740	2,850	3,425	3,705	108
Wheat, All	Bu.	350	380	62.0	54.0	21,700	20,520	95
Barley	Bu.	8	8	75.0	77.0	600	616	103
UNITED STATES								
Corn for Grain	Bu.	71,139	73,311	142.2	158.4	10,113,887	11,613,226	115
Soybeans for Beans <u>1/</u>	Bu.	72,476	73,990	33.9	42.0	2,453,665	3,106,861	127
Sorghum for Grain	Bu.	7,798	6,559	52.7	70.4	411,237	461,857	112
Hay:								
All	Ton	63,342	61,589	2.48	2.69	157,123	165,920	106
Alfalfa	Ton	23,578	22,226	3.24	3.48	76,307	77,371	101
All Other	Ton	39,764	39,363	2.03	2.25	80,816	88,549	110
Tobacco:								
All	Lbs.	411.15	409.61	1,952	2,156	802,654	883,168	110
Burley	Lbs.	152.30	154.10	1,850	1,958	281,698	301,710	107
Type 22 E. Fired	Lbs.	7.80	8.10	3,013	3,067	23,504	24,840	106
Type 23 W. Fired	Lbs.	2.90	2.92	3,505	3,571	10,165	10,428	103
Type 35 One Sucker	Lbs.	2.84	2.86	2,748	2,883	7,805	8,244	106
Type 36 Green River	Lbs.	1.25	1.30	2,740	2,850	3,425	3,705	108
Wheat, All	Bu.	53,063	50,204	44.2	43.1	2,344,760	2,163,520	92
Barley	Bu.	4,727	4,031	58.9	69.5	278,283	280,103	101

1/2003 Revised.

U. S. DAIRY PRODUCTS, AUGUST 2004

PRODUCT	August 2003	July 2004 <u>1/</u>	August 2004	Percent of August July 2003 2004	
			(000) Pounds	Percent	
BUTTER	70,916	91,229	88,908	125	97
CHEESE					
American Types <u>2/</u>	299,117	302,784	296,591	99	98
Mozzarella	232,518	227,758	231,904	100	102
All Other Types <u>3/</u>	168,497	177,342	183,655	109	104
Total	700,132	707,884	712,150	102	101
			(000) Gallons	Percent	
FROZEN PRODUCTS					
Ice Cream (Hard)	77,382	78,759	73,739	95	94
Frozen Yogurt (Total)	5,953	5,811	6,033	101	104
MIX FOR FROZEN PRODUCTS					
Ice Cream Mix	45,812	47,119	41,840	91	89
Yogurt Mix	3,652	3,418	3,549	97	104

1/ Revised. 2/ Includes Cheddar, Colby, Monterey, and Jack. 3/ Includes Swiss, cream and all other types. Excludes cottage cheese.

UNITED STATES EGG PRODUCTION & HATCH

Item	Aug 2003	Aug 2004	Aug '04 as % Aug '03
Egg Production			
Eggs Produced (Million)	7,367	7,515	102
Average Layers (000)	334,332	342,039	102
Eggs Per 100 Layers	2,203	2,197	100
Egg Type Hatchery			
Eggs Set Sept 1 (000)	32,163	32,539	101
Chicks Hatched (000)	33,199	36,024	109
Broiler Type Hatchery			
Eggs Set Sept 1 (000)	632,686	654,351	103
Chicks Hatched (000)	784,037	809,820	103

FOREIGN OWNERSHIP OF U.S. AGRICULTURAL LAND IN 2003

Of the 15,376,893 acres of reported foreign-held land, foreign persons from Canada own the largest amount of reported foreign-held acres of U.S. land, 4,512,424 acres, or 29 percent. Foreign persons from an additional three countries, Germany and the United Kingdom (U.K.) both at (12%), and Switzerland (4%); collectively own 4,217,699 acres or 28 percent of the foreign-held acres of U.S. land. Forty-six percent of the reported foreign-owned holdings of land is timber or forest land; cropland accounts for only 17 percent. Foreign-owned cropland, pasture, and other agricultural land (which includes, for example, orchards and vineyards) total 51 percent of all foreign-owned holdings, but only 6 percent of all privately held agricultural land in the United States. The non-agriculture category accounts for 3 percent of the reported foreign-held acres. Nonagricultural land includes acreage such as the homestead and roads commonly reported as part of the agricultural landholding or land that is idle now but its last use within the past 5 years was for agriculture.

Foreign ownership of U.S. agricultural land remained relatively steady from 1992 through 2002, slightly above or below 1 percent of all privately owned agricultural land in the United States. Most changes were in forest land, decreasing from 7.5 million in 1991, to 7 million in 1992, to 6 million in 1998, and increasing to 7.5 million in 2001, decreasing to slightly more than 7 million in 2002. These changes are mainly due to million-acres-plus transactions by large timber companies. Reviewing the crop, pasture, and other agricultural figures reveals a relatively small increase, if any, in the numbers between 1992 and 2002. Cropland increased from 2.5 million acres in 1998 to 3 million in 1999, decreased to slightly more than 2.5 million in 2001, increased to 3 million in 2002; pasture increased to slightly more than 4 million acres in 2002 and other agriculture remained steady.

Foreign owned agricultural land in Kentucky totaled 82,787 acres or 4 tenths of one percent of the total privately held agricultural land.

U.S. AGRICULTURAL LANDHOLDINGS OF FOREIGN OWNERS, BY STATE, FEBRUARY 28, 2003

State	Acres	State	Acres	State	Acres
Alabama	668,908	Maine	3,141,223	Oregon	242,959
Alaska	121	Maryland	47,788	Pennsylvania	160,532
Arizona	268,326	Massachusetts	2,593	Puerto Rico	760
Arkansas	150,546	Michigan	315,482	Rhode Island	15
California	954,488	Minnesota	252,538	S. Carolina	144,676
Colorado	648,503	Mississippi	186,752	S. Dakota	41,636
Connecticut	1,204	Missouri	63,695	Tennessee	83,326
Delaware	3,202	Montana	499,371	Texas	1,476,456
Florida	890,407	Nebraska	14,837	Utah	79,275
Georgia	619,271	Nevada	505,143	Vermont	85,268
Hawaii	167,164	New Hampshire	15,293	Virginia	124,630
Idaho	32,710	New Jersey	13,588	Washington	222,866
Illinois	151,090	New Mexico	821,374	W. Virginia	99,872
Indiana	54,405	New York	260,643	Wisconsin	61,597
Iowa	32,139	N. Carolina	235,333	Wyoming	266,644
Kansas	60,368	N. Dakota	14,925		
Kentucky	82,787	Ohio	216,658		
Louisiana	341,663	Oklahoma	58,051	TOTAL	14,883,101

Source: USDA, FAS, Agricultural Foreign Investment Disclosure Act (AFIDA) data.

BURLEY TOBACCO OUTLOOK

As of September 1, burley production in 2004 is estimated at 301.5 million pounds compared with actual production of 281.7 million pounds last season. Acreage is 156,300 acres, 4,000 acres above last season, regaining what was lost last season. Yields improved over last year's crop. Marketings this year will likely be close to 300 million pounds, given the higher quota and an effective quota of 331.0 million pounds, resulting in projected supplies of about 880 million

pounds, assuming normal on-farm carryover levels. Lower production combined with lower expected beginning stocks in October 2004 are expected to result in supplies of 830 million pounds, 2 percent below the previous season's 849.9 million pounds. Disappearance in 2003 is projected at 47 million pounds lower at 323 million pounds. Export disappearance will likely change little, with most of the decline the result of lower domestic use.

FIRE-CURED OUTLOOK (TYPE 21-23)

Fire-cured tobacco is mainly used in making snuff, plug chewing tobacco, and twist chewing tobacco. About half of the crop is usually exported. Production of fire-cured leaf in 2004-05 is projected at 33.7 million pounds, about .8 million pounds below the previous season. Acreage was set at 10,700 acres, compared with 11,250 the previous year. Yields are greater than last season. Production of Kentucky-Tennessee fire-cured leaf (types 22-23) as of September 1 (2004 crop) is estimated at 35.3 million pounds, compared with 33.7 million pounds in 2003. Production of Virginia fire-cured tobacco is estimated at 1.3 million pounds,

compared with .8 million pounds in 2003. Shipments of Kentucky-Tennessee fire-cured (types 22-23) recovered by 55 percent during the first 9 months of the 2003 crop year (October 2003-June 2004). Total exports of types 22-23 are expected to reach 15.0 million pounds, compared with 10.7 million pounds last season. Total fire-cured disappearance for the first 9 months of the 2003-04 marketing year was 24.4 million pounds, compared with 30.1 million pounds during the 9-month period last year. For the entire marketing year, disappearance is expected to be about 34 million pounds.

DARK AIR-CURED OUTLOOK (TYPE 35-37)

Dark air-cured tobacco (types 35-37) is used in plug and twist chewing tobacco, snuff, and to some extent in smoking tobacco. Production and use have declined by more than 50 percent over the last two decades. Exports traditionally account for 10-20 percent of total use, but have declined in the past decade as cigarettes have displaced traditional tobacco products in many countries that purchased dark air-cured leaf. The marketing year for dark air-cured tobacco is on an October-September basis. Although acreage rose in 2004, improved yields are expected to boost air-cured production to 12.2 million pounds from 11.3 the previous

season, according to the September 1 crop forecast. Acreage is projected at 4,160 acres, compared with 4,090 last season, and yields are 2,900 pounds per acre, compared with 2,746 last season. Supplies at the beginning of 2004 (October 1, 2004) are expected to be about 37.3 million pounds, about the same as in 2003. Air-cured disappearance for the first 9 months of the marketing year (October 2003-June 2004) slipped 21 percent to 7.7 million pounds, compared with 59.7 million pounds last season. Based on past years' marketing patterns, total disappearance during the crop year is expected to be slightly less than last season's 11.5 million pounds.

Internet Access: Kentucky Agricultural Statistics Service (KASS) data including this report are available free of charge on our Internet homepage located at <http://www.nass.usda.gov/ky>. Links to the Kentucky Department of Agriculture, the University of Kentucky Agricultural Weather Center and other web sites related to Kentucky Agriculture are also included. National & State reports and data are available on the National Agricultural Statistics Service (NASS) homepage located at <http://www.usda.gov/nass/>
